Executive Summary Report

Appraisal Date 1/1/2006 - 2006 Assessment Year

Quadrant Name: Northwest King County Commercial Area
Previous Physical Inspection: 1/2005

Sales – Improved Analysis Summary:
Number of Sales: 259
Range of Sales Dates: 1/03 – 1/06

Sales – Ratio Study Summary:

	Improved Value	Sale Price	Ratio	COV
2005 Value	$1,043,900	$1,256,400	83.10%	21.62%
2006 Value	$1,231,900	$1,256,400	98.00%	9.25%
Change	+$188,000		+14.90%	-12.37%
% Change	+18.01%		+17.93%	-57.22%

*COV is a measure of uniformity, the lower the number the better the uniformity. The negative figures of –12.37% and –57.22% actually represent an improvement.

Sales used in Analysis: All improved sales which were verified as good that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis.

Population - Parcel Summary Data:

	Land	Imps	Total
2005 Value	$7,654,701,128	$4,065,842,976	$11,720,544,104
2006 Value	$9,402,237,890	$4,409,723,370	$13,811,961,260
Percent Change	+22.83%	+8.46%	+17.84%

Number of Parcels in the Population: 5247 excluding specialties

Conclusion and Recommendation:
Since the values recommended in this report improve uniformity, assessment level and generally reflect the Northwest King County rising real estate market, we recommend posting these values for the 2006 assessment year.

Analysis Process

Areas within Northwest King County

Highest and Best Use Analysis

As if vacant: Market analysis of this region , together with current zoning and anticipated use, indicates that the highest and best use of the majority of the appraised parcels as commercial use. Any opinion not consistent with this analysis is noted in our records and is considered in the valuation of specific parcels.

As if improved: Based on neighborhood trends, the existing buildings are considered the highest and best use for most parcels. The existing use will continue until land value, in its highest and best use, exceeds the total value of the entire parcel in its current use and the cost to remove the improvements. For those properties that are not at highest and best use, then a token value of $1,000 is assigned to the improvements.

Special Assumptions, Departures and Limiting Conditions

The sales comparison, cost, and income approaches were considered for this mass appraisal valuation.

The following Departmental guidelines were considered and adhered to:
- Sales from 1/01/2003 to 01/01/2006 (at minimum) were considered in all analyses.
- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of three years (at a minimum) of market information without time adjustments averaged any net changes over that time period.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

Identification of the Area

Name or Designation: Northwest King County (Areas 10,17,19,20 &25)

Boundaries:

The area is bound on the north by the King /Snohomish County line, to the west by Puget Sound, and to the east by Lake Washington. The south boundary starts at Lake Washington and runs west along the Township line (East Spruce Street) to the Interstate (I5), then north to East Galer Street, then around the south end of Lake Union backup to Galer Street, then west to Aloha Street, then northwest to 15th Avenue West and West Galer Street.

Maps:

A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.
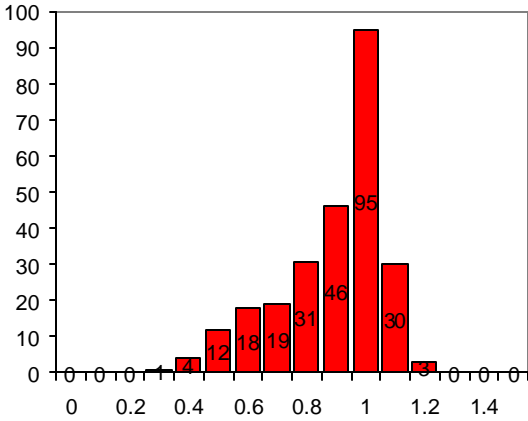
Area Description:

Northwest King County is primarily a residential area with a few commercial districts to service their communities. There are many multi-family areas with the major ones being Capitol Hill, Queen Anne Hill, Magnolia, University, Lake City, Green Lake, Greenwood, Ballard, Crown Hill, Richmond Beach, Shoreline and Lake Forest Park. Community Business Areas that service these densely populated zones include Broadway, Madison Park, The Top of Queen Anne Hill, Magnolia Village, The University District, Wallingford, Downtown Ballard, Fremont, Lake City Way and Aurora Avenue. Additionally the regional malls, Northgate and University Village, are drawing clientele from all over Western Washington. Institutions that have a major impact on Northwest King County are the hospitals located on First and Capitol Hills and the University of Washington. The only industrial areas in North Seattle lie along the Waterfront, Lake Union and the Ship Canal, and a section of Ballard.
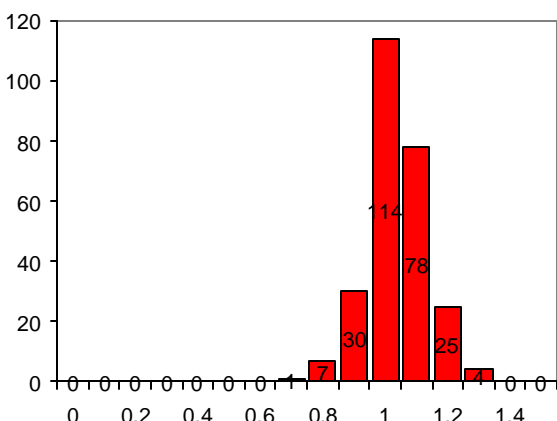
Preliminary Ratio Analysis

A Ratio Study was completed prior to the application of the 2006 recommended values. This study benchmarks the current assessment level using 2005 posted values. The study was also repeated after application of the 2006 recommended values. The results are included in the validation section of this report, showing an improvement in the Weighted Mean Ratio from .830 to .981.

Commercial North Crew
2005 Assessment Year

Quadrant/Crew:	Lien Date:	Date:		Sales Dates:	
North Crew	**1/1/2005**	**4/17/2006**		**1/1/03 - 01/01/06**	
Area	Appr ID:	Prop Type:		Trend used?: Y / N	
10,17,19,20,25	**BCHR**	**Improvement**		**N**	

SAMPLE STATISTICS		Ratio Frequency
Sample size (n)	259	
Mean Assessed Value	1,043,900	
Mean Sales Price	1,256,400	
Standard Deviation AV	1,627,103	
Standard Deviation SP	1,868,665	
ASSESSMENT LEVEL		
Arithmetic mean ratio	0.837	
Median Ratio	0.899	
Weighted Mean Ratio	0.831	
UNIFORMITY		
Lowest ratio	0.2379	
Highest ratio:	1.1991	
Coeffient of Dispersion	15.41%	
Standard Deviation	0.1811	
Coefficient of Variation	21.62%	
Price-related Differential	1.01	
RELIABILITY		
95% Confidence: Median		
Lower limit	0.864	
Upper limit	0.916	These figures reflect the 2005 assessment level of improved sales compared to current market sales.
95% Confidence: Mean		
Lower limit	0.815	
Upper limit	0.860	
SAMPLE SIZE EVALUATION		
N (population size)	5247	
B (acceptable error - in decimal)	0.05	
S (estimated from this sample)	0.1811	
Recommended minimum:	52	
Actual sample size:	259	
Conclusion:	OK	
NORMALITY		
Binomial Test		
# ratios below mean:	103	
# ratios above mean:	156	
z:	3.231122783	
Conclusion:	Non-normal	
*i.e., no evidence of non-normality		

Commercial North Crew
2005 Assessment Year

Quadrant/Crew:	Lien Date:	Date:		Sales Dates:
North Crew	**1/1/2006**	**4/17/2006**		**1/1/03 - 01/01/06**
Area	Appr ID:	Prop Type:		Trend used?: Y / N
10,17,19,20,25	**BCHR**	**Improvement**		**N**

SAMPLE STATISTICS	
Sample size (n)	259
Mean Assessed Value	1,231,900
Mean Sales Price	1,256,400
Standard Deviation AV	1,838,000
Standard Deviation SP	1,868,665
ASSESSMENT LEVEL	
Arithmetic mean ratio	0.987
Median Ratio	0.986
Weighted Mean Ratio	0.980
UNIFORMITY	
Lowest ratio	0.6763
Highest ratio:	1.2160
Coeffient of Dispersion	6.95%
Standard Deviation	0.0914
Coefficient of Variation	9.25%
Price-related Differential	1.01
RELIABILITY	
95% Confidence: Median	
Lower limit	0.975
Upper limit	0.997
95% Confidence: Mean	
Lower limit	0.976
Upper limit	0.999
SAMPLE SIZE EVALUATION	
N (population size)	5247
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.0914
Recommended minimum:	13
Actual sample size:	259
Conclusion:	OK
NORMALITY	
Binomial Test	
# ratios below mean:	134
# ratios above mean:	125
z:	0.497095813
Conclusion:	Normal*

*i.e., no evidence of non-normality

Ratio Frequency

These figures reflect the 2006 assessment level of improved sales compared to current market sales.